



News Release

**U.S. General Services Administration
Northeast & Caribbean Region**

For Immediate Release

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IRS GETS NEW DOWNTOWN HOME IN BUFFALO *GSA Discusses Dulski, Federal Courthouse Plans*

Buffalo, New York (July 28, 2003) – The Buffalo offices of the Internal Revenue Service will move to a newly developed property in downtown Buffalo by spring 2004, the US General Services Administration (GSA) announced today. In a Monday afternoon press conference, GSA also discussed plans for Dulski Federal Building tenants and provided an update on construction of a new federal courthouse downtown.

IRS Lease

Under a lease signed Monday by GSA, the IRS will relocate from the Dulski Federal Building to a new, six-story, 190,000 square foot building to be developed by the Acquest Development Company of Buffalo at 150 South Elmwood Avenue. The IRS will occupy 61,000 square feet under a 10-year lease with an annual rent of \$1,480,592 or \$24.40 per square foot.

“GSA is pleased to be meeting the future operational needs of our customer - the IRS - by providing them with new office space here in downtown Buffalo,” said Karl H. Reichelt, Regional Administrator for GSA’s Northeast & Caribbean Region. “And we are delivering on a priority of President Bush: Locating federal agencies within locally determined business districts to bring government closer to citizens and to provide economic strength to downtown areas.”

Acquest Development won a highly competitive bidding process for the right to develop new space for the IRS.

“We are pleased to receive this lease award, and we look forward to working with GSA and the IRS to deliver a first class office building in downtown Buffalo,” said William L. Huntress, Acquest’s managing partner.

The IRS is relocating because its long-term operational requirements cannot be met at the Dulski Building.

“The Internal Revenue Service is extremely excited,” said John E. McKinley, IRS Facility Management Officer for the Northeast. “This is another example of the excellent relationship between GSA and the IRS.”

GSA is receiving ongoing cooperation and support from the Western New York Congressional delegation, the State of New York, the City of Buffalo, and Erie County with respect to its downtown plans.

"GSA said they would keep their commitment to downtown Buffalo, and they have proven that with this announcement," said Representative Jack Quinn, R-Hamburg (NY-27) "As the relocation of federal employees continues I urge the GSA to maintain its strong federal presence and investment in downtown Buffalo."

"Today's announcement by GSA is evidence of the federal government's commitment to Western New York and in particular to the City of Buffalo," said Rep. Thomas M. Reynolds. "This new location will allow the IRS to serve the public in a more efficient manner while remaining in the heart of Downtown's business district."

"GSA's decision to relocate the IRS to a newly developed property in Downtown Buffalo illustrates the Bush Administration's strong commitment to the people of Buffalo and Western New York," said Governor George E. Pataki. "This announcement is positive news for the local economy and will help to encourage additional investment in the downtown area."

Dulski Transition

GSA previously announced that it is transitioning the Dulski Building from federal ownership by 2005. In plans announced Monday, GSA said it expects to competitively acquire seven new leases totaling 241,000 square feet of space within the Buffalo Central Business Area. GSA will seek new construction or vacant office space in existing commercial buildings downtown based on customer requirements, best value, and public accessibility, among other factors. GSA will continue to closely work with Buffalo's brokerage and development communities in satisfying the federal government's space requirements.

"Our goal is to transition Dulski from federal ownership in a way that is beneficial to Buffalo," Reichelt said. "We think there are great possibilities for Dulski beyond federal ownership, and we will continue working with Buffalo's leaders in developing our plans."

Alternatives for Dulski include private sale or transfer to a local entity based on federal property disposal regulations. The Dulski Federal Building was constructed in 1970. It presently houses 30 federal agencies occupying 391,000 square feet. GSA estimates that costs to renovate and upgrade the building outweigh its financial viability, and therefore has decided to transition it from federal ownership as a cost savings measure to the taxpayers.

Federal Courthouse Update

Also on Monday, GSA announced plans to give a full presentation to city officials in mid-September when it will present a model of the proposed new Federal Courthouse at Niagara Street and Delaware Avenue. GSA is presently negotiating site acquisitions. Construction is expected to start in November 2004. Completion is scheduled for June 2007.

“We are excited about the efforts of GSA in meeting an ambitious deadline and championing plans to bring a truly first class and needed Federal Courthouse facility for the citizens of Buffalo and Erie County,” said Chief Judge Richard J. Arcara of the Federal District Court for Western New York.

The new Courthouse will be a signature GSA building by Kohn Pedersen Fox, Architects, and represents the largest GSA project in Buffalo’s history. It will generate more than \$100 million in construction and related contracts.

The U.S. General Services Administration is a centralized federal procurement and property management agency created by Congress to improve government efficiency and help federal agencies better serve the public. It acquires, on behalf of federal agencies, office space, equipment, telecommunications, information technology, supplies and services. GSA provides services and solutions for the office operations of over 1 million federal workers located 8,300-government -owned and leased buildings in 1,600 U.S. communities.

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